OIPE JC109 AUG 11 2005 PATENT & TRADEMARK OFFICE

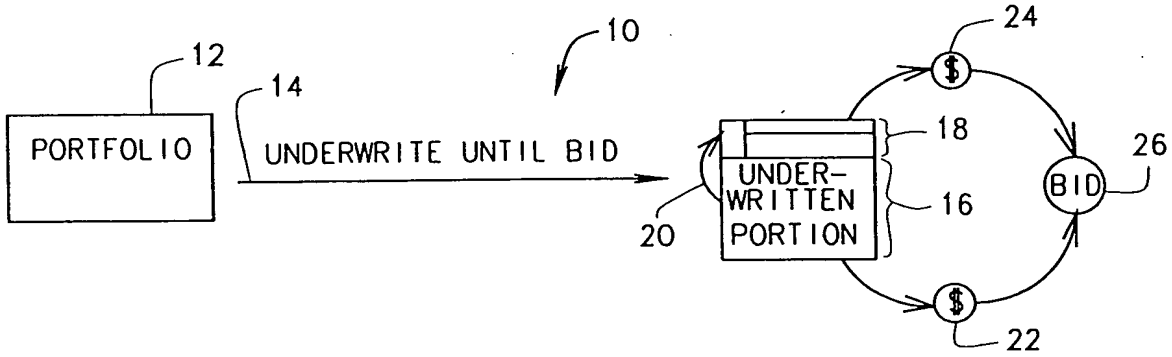

FIG. 1
PRIOR ART

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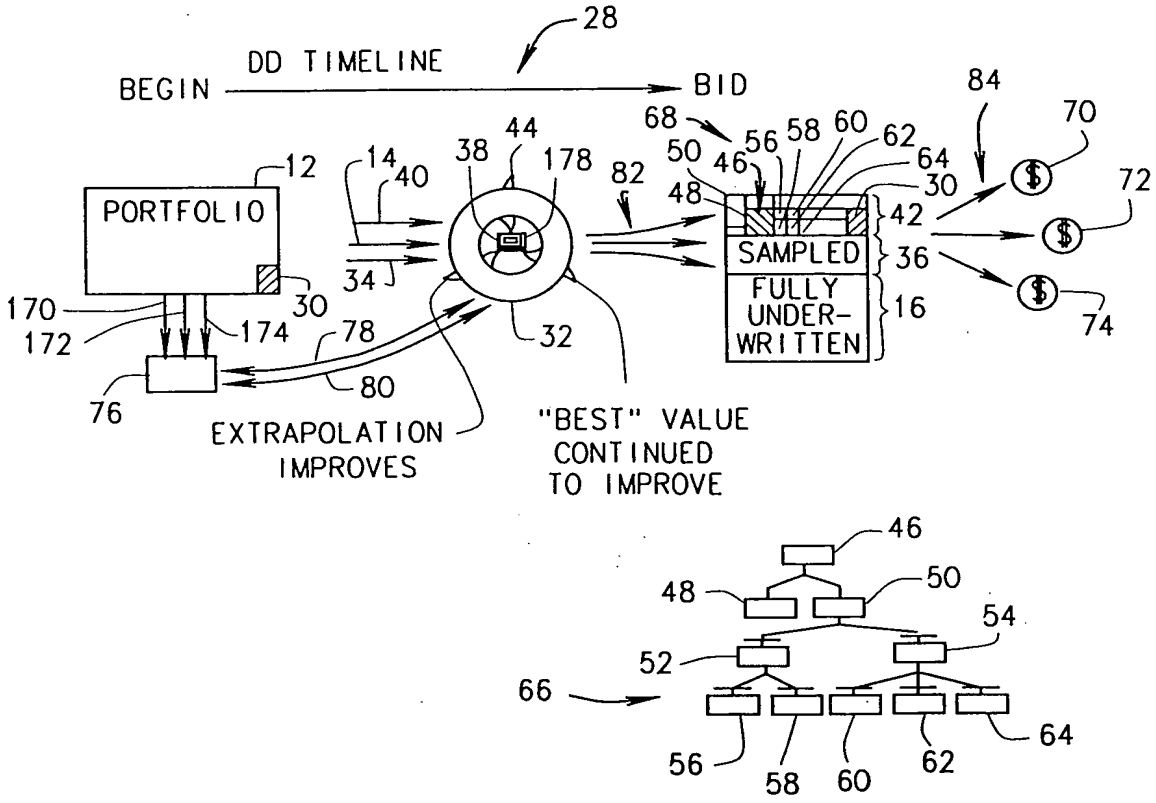

FIG. 2

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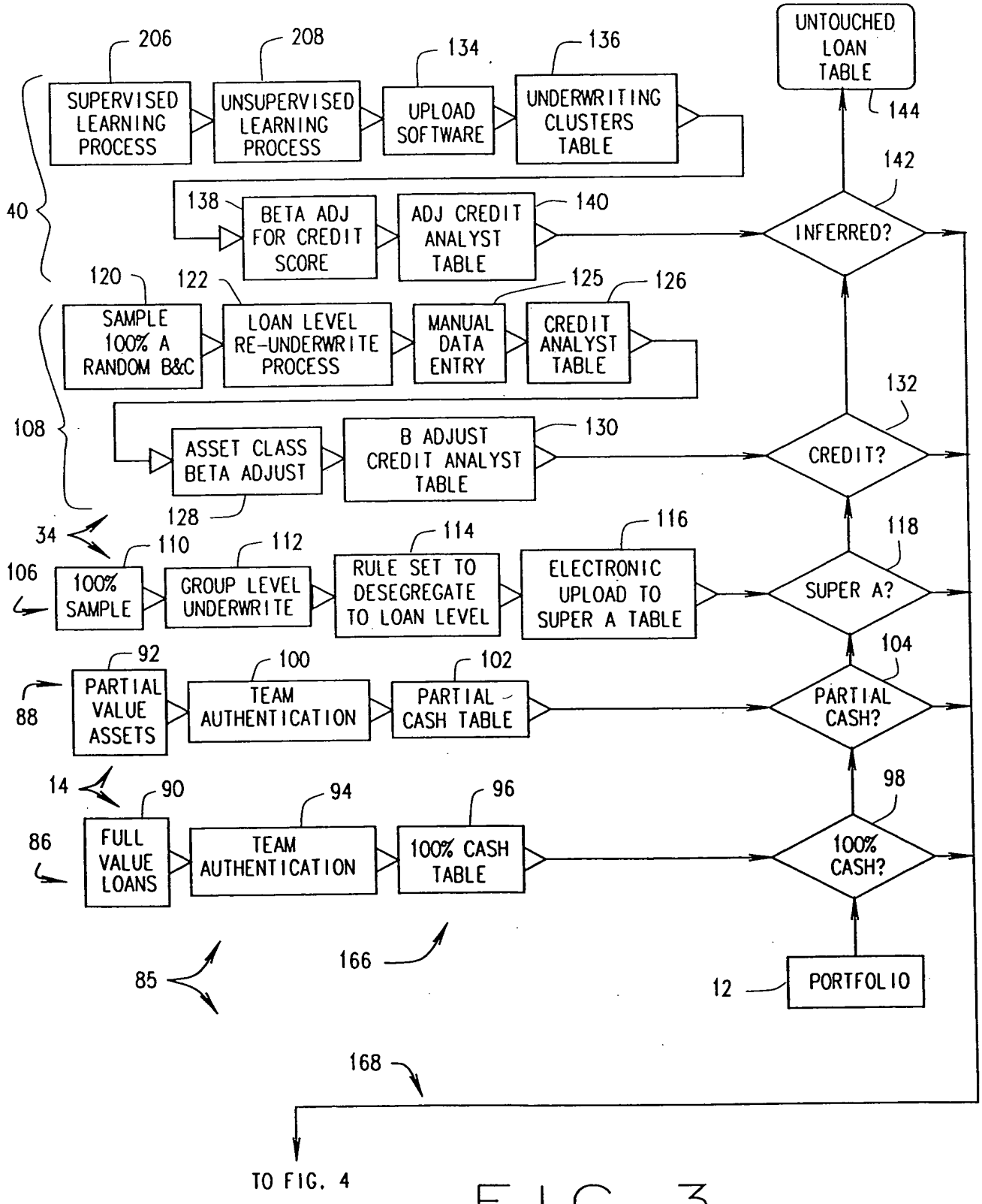

FIG. 3

OIPE JC169 AUG 11 2005 PATENT & TRADEMARK OFFICE

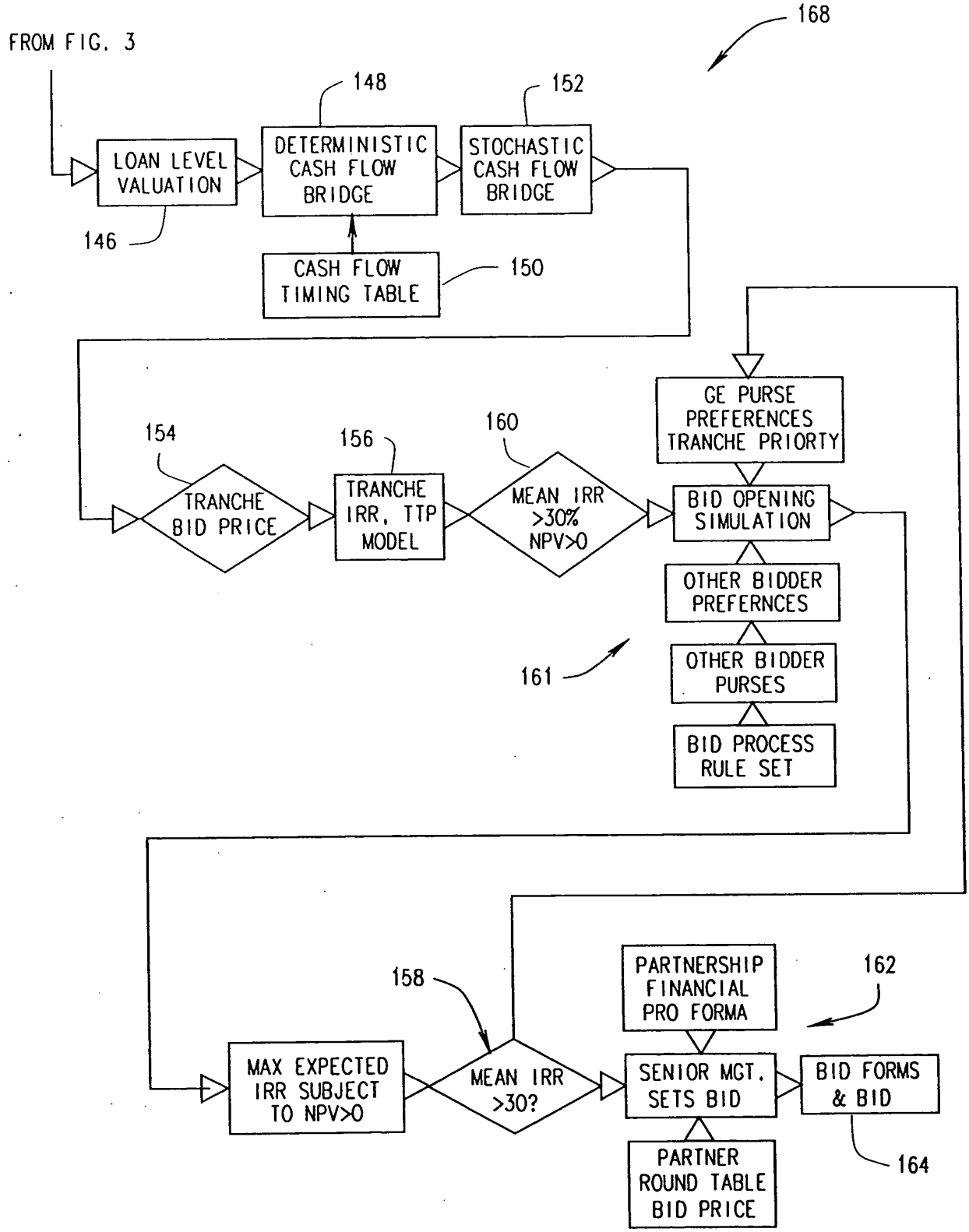

FIG. 4

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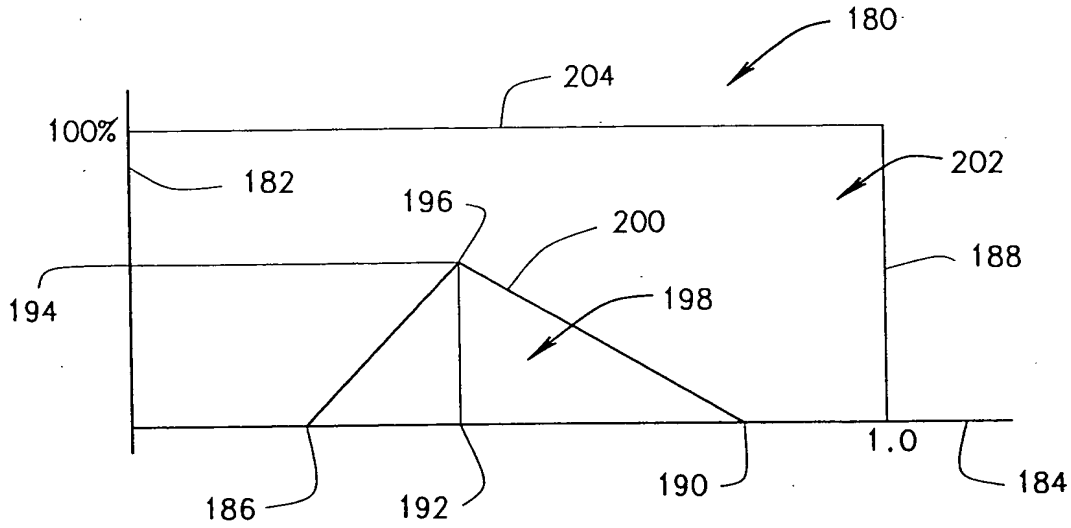

FIG. 5

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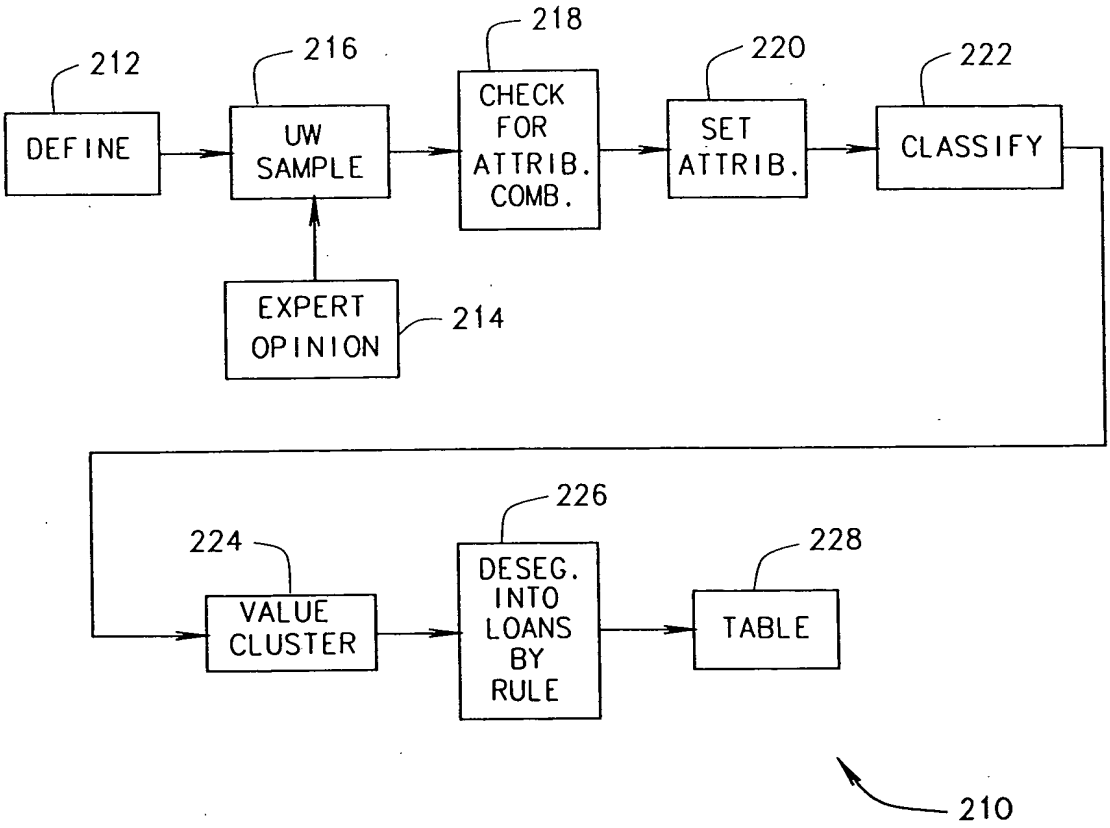

FIG. 6

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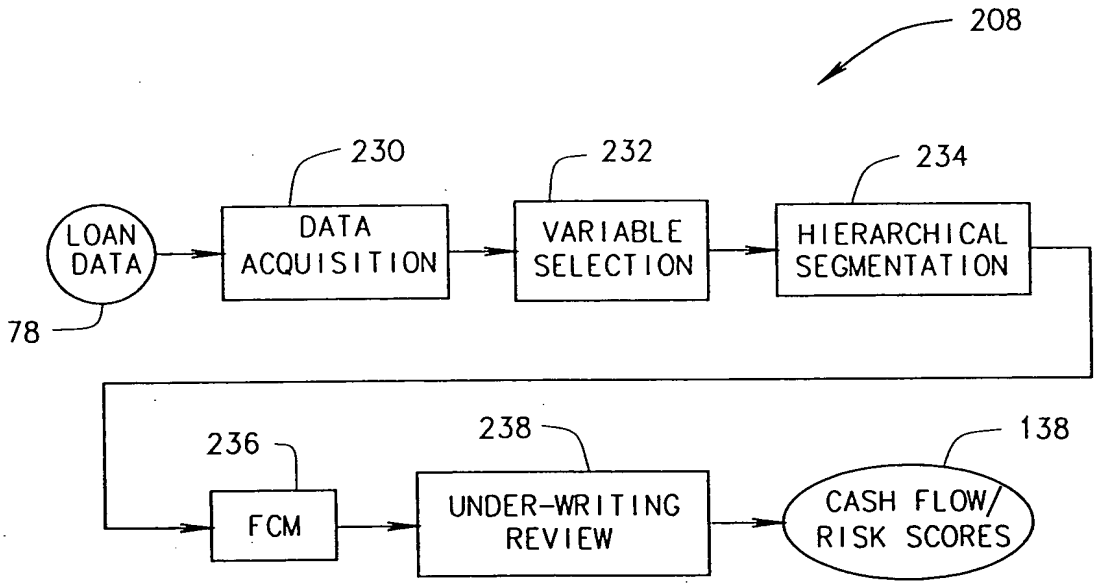

FIG. 7

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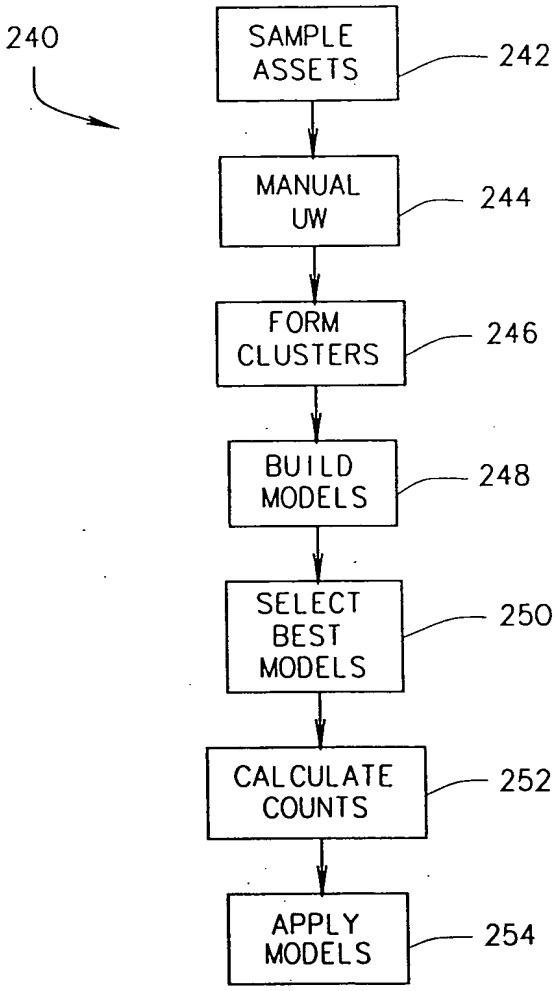

FIG. 8

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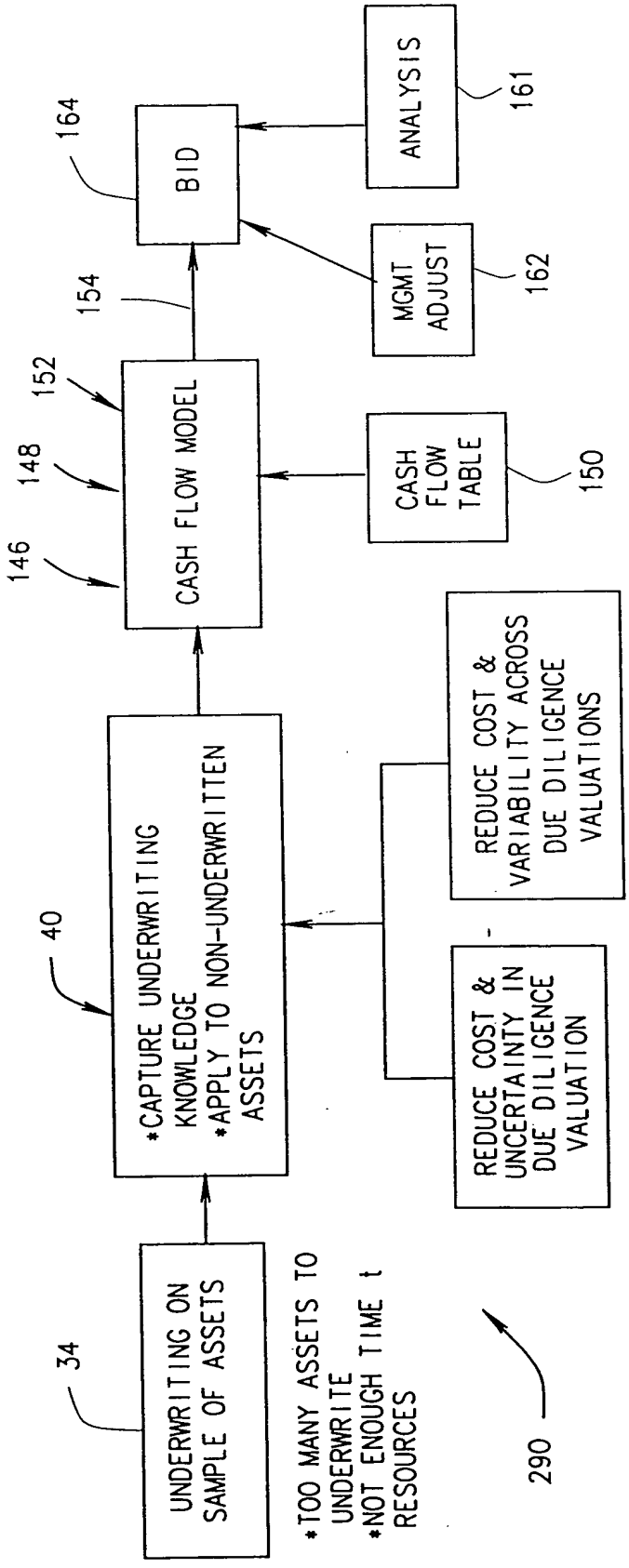

FIG. 9

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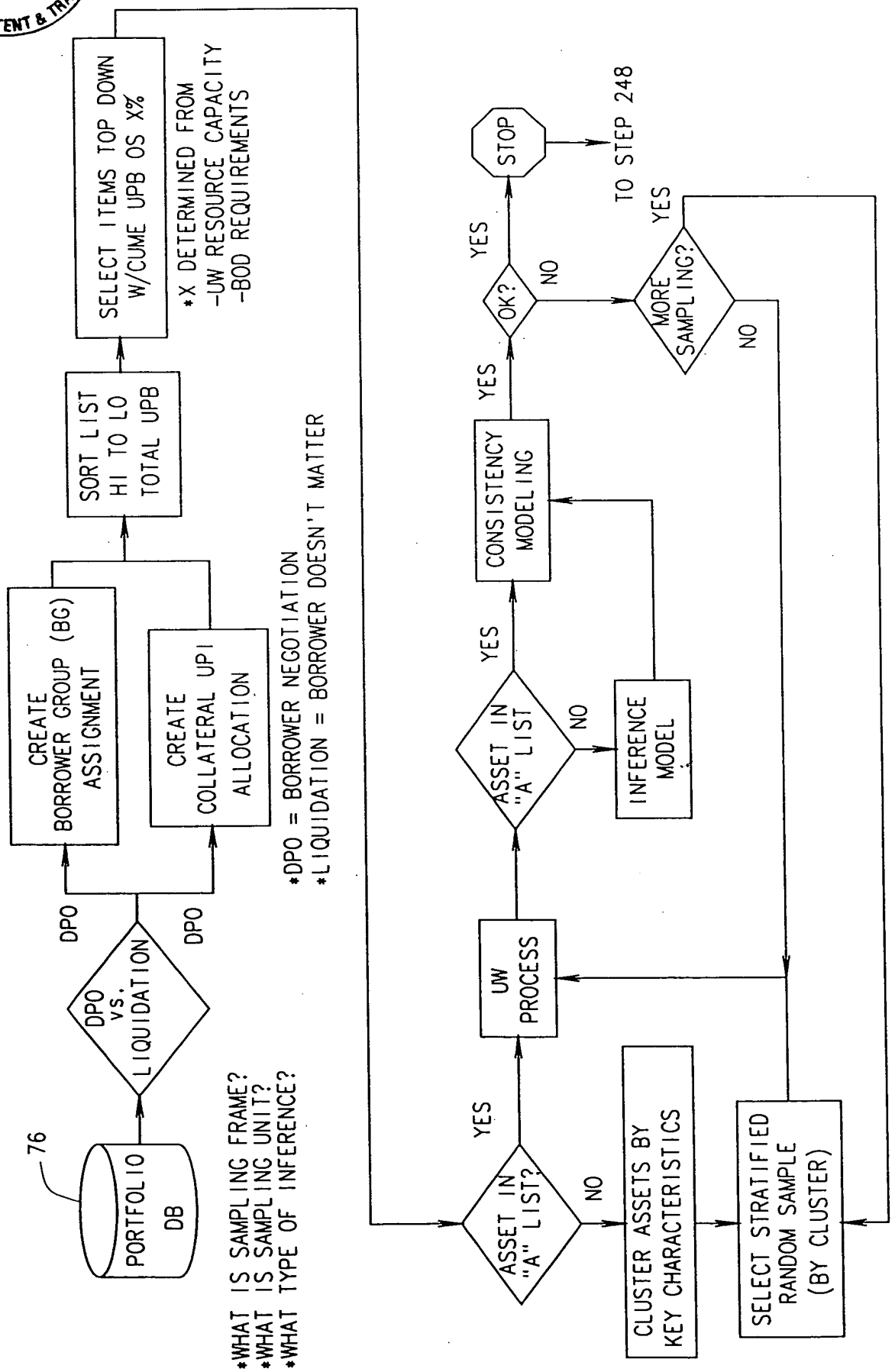

FIG. 10

OIPE JC100
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248 BUILD MODELS

6 MODELS BUILT:

*MODELS DIFFER BY WHICH VARIABLES USED
*UW ASSETS GET THE MINIMUM ERROR PREDICTION (ACTUAL-PREDICTED)

VARIABLES USED

LAND AREA
BLDG AREA
OLD APPRAISAL
GEN 1 PREDICTED CURRENT APPRAISAL
GEN 1 PREDICTED REALIZED PRICE
PROPERTY TYPE
LOCATION
-BY-
COM/RES
GROUP (CLUSTER)

250

MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6
X		X	X	X	
X		X	X	X	
					X
X	X	X	X	X	
X	X	X	X	X	
X	X	X			
X	X		X		
X	X	X	X	X	X
X	X	X	X	X	X

MODEL "WEIGHTS":

*EACH CELL IS COUNT OF TIMES THE MODEL PRODUCED BEST PREDICTION FOR UW ASSETS
*DETERMINES WEIGHTS FOR AVERAGING PREDICTIONS FOR NON-UW ASSETS

256

MODEL	ASSET CLASS	GROUP	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6	SUM
COURT AUCTION	COMMERCIAL	1	13	13	13	8	32	32	87
		2	29	25	29	24	19	19	148
	TOTAL								
COURT AUCTION	RESIDENTIAL	1	5	5	10	4	12	12	51
		2	4	7	9	13	23	23	59
		3	2	15	11	13	8	8	53
	TOTAL								163

252

258

MODEL	ASSET CLASS	GROUP	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6	SUM
MARKET VALUE	COMMERCIAL	1	16	13	11	15	21	21	86
		2	29	22	29	24	19	19	150
	TOTAL								236
MARKET VALUE	RESIDENTIAL	1	5	8	4	11	12	14	51
		2	8	9	10	15	19	19	59
		3	6	16	5	20	2	2	54
	TOTAL								164

FIG. 11

OIPE
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VARIABLE	CATEGORY/VALUE RANGE	ENCODING SCHEME
LOAN SECURED	(YES, NO)	YES = 1, ELSE = 0
LOAN TYPE	(REVOLVING,NON-REVOLVING)	REVOLVING = 1 ELSE 0
LAST PAYMENT	(0, 250 MM)	0 IF LAST PAYMENT = 0 ELSE 1
NOTICE OF DEFAULT SENT		PRIOR TO JUN 97 EQUALS 1 ELSE 0
ORIGINAL MATURITY DATE		PRIOR TO JUN 97 EQUALS 1 ELSE 0
SYNDICATED LOAN	(YES, NO)	YES = 1, ELSE = 0
LOAN GUARANTEED	(YES, NO, NAV)	YES = 1, ELSE = 0
COLLECTION SCORE	(0, 1)	
LIEN POSITION	(-1, 0, 1)	1 IF LIEN POSITION = 1 ELSE 0
CURRENT UPAID BALANCE/ORIGINAL BALANCE	(0, 2.9)	NORMALIZED TO (0, 1)
LAST PAYMENT TO INTEREST/LAST PAYMENT	(0, 1)	

80

138

FIG. 12

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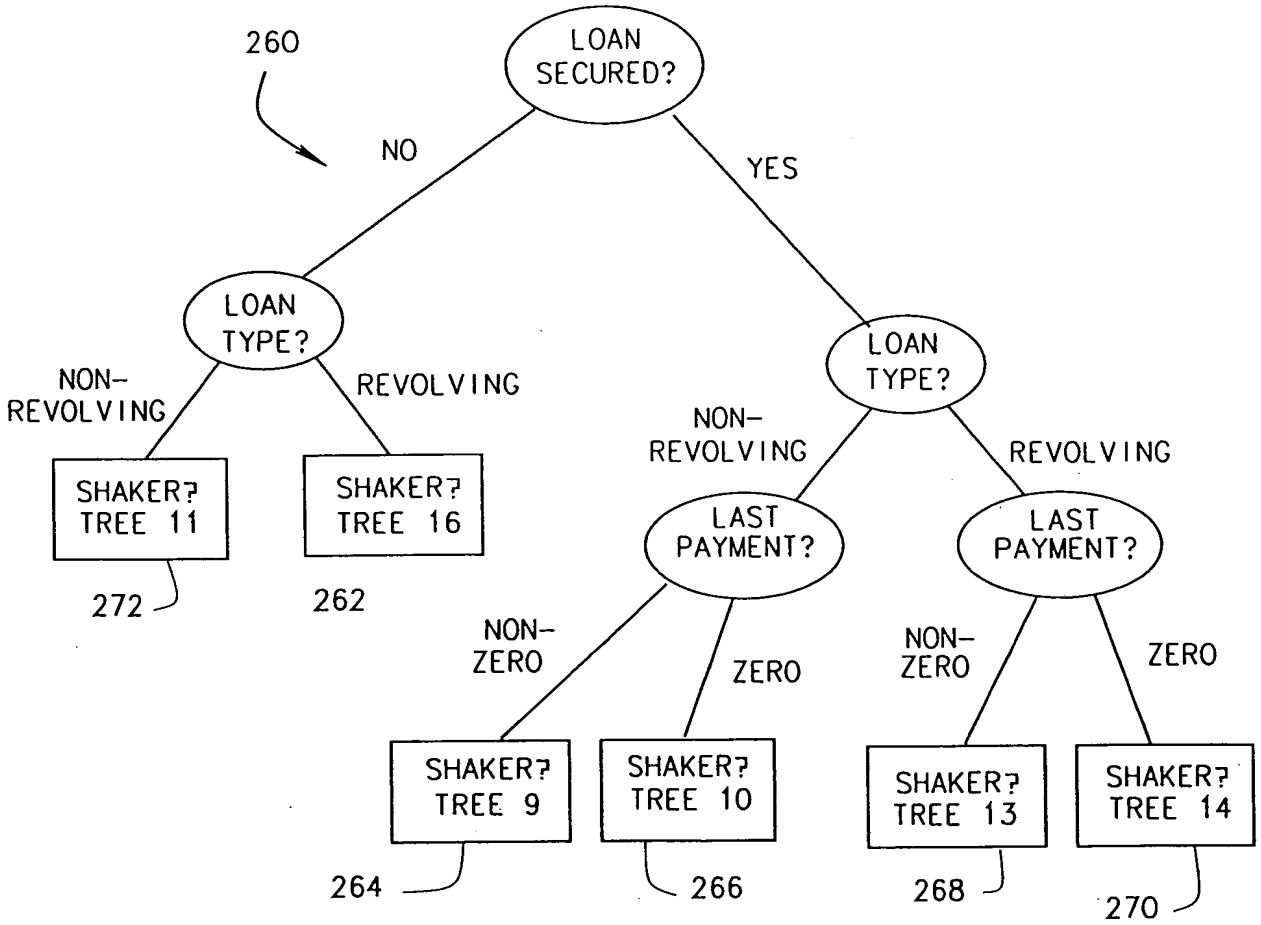

FIG. 13

OIPE JC16 AUG 11 2005 PATENT & TRADEMARK OFFICE

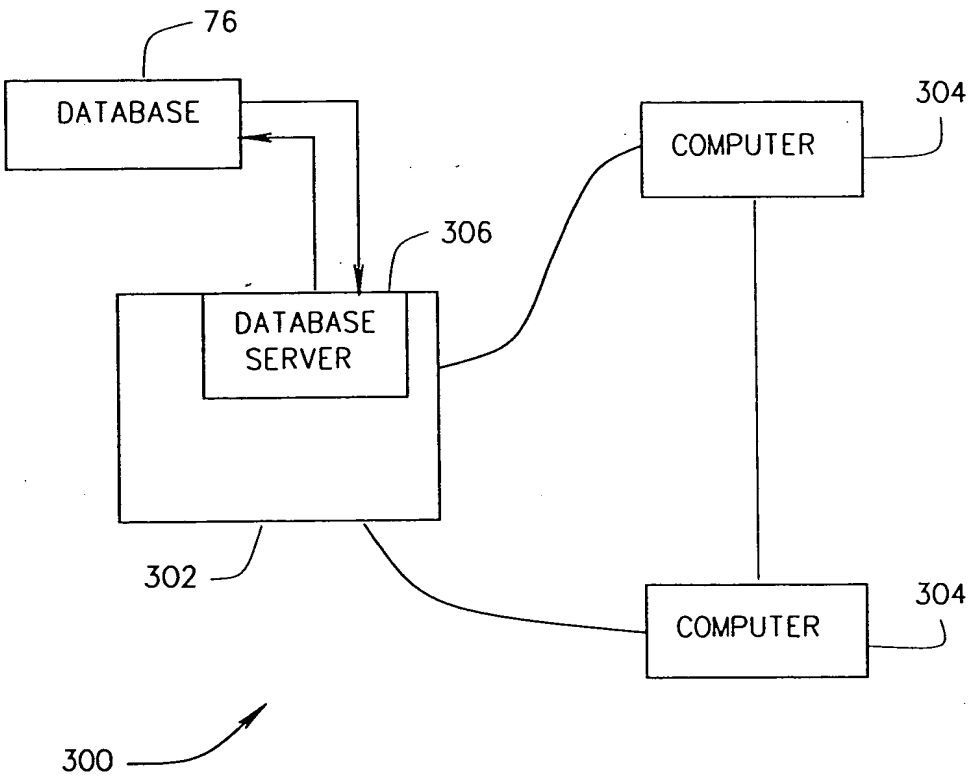

FIG. 14